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## DECISION MAKERS IN THE JAPANESE AUTOMOTIVE INDUSTRY

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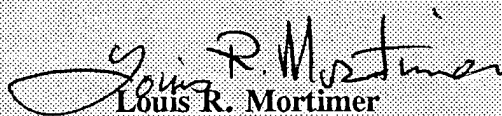
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Louis R. Mortimer

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## PREFACE

The purpose of this study is to provide an up-to-date assessment of the major decision makers in Japan's automotive industry.

Information for the study was gathered from a variety of open source literature, both in Japanese and in English, including current and retrospective technical, industrial, and business-related publications. Numerous experts in the field have also been consulted and queried on their knowledge of additional information sources of biographical information.

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## INTRODUCTION

In recent years, tensions in US-Japanese trade relations have grown considerably. Nowhere is this friction more apparent than in the trade in automobile products between the two countries. In the wake of President Bush's recent trip to Japan, a select number of decision makers in both the United States and Japanese automobile industries have asserted their considerable influence upon their colleagues in the industry and upon key sectors in government. This report focuses on the role of specific individual business leaders in Japan's automotive industry and also includes a profile of one organization, the Japan Automobile Manufacturers Association, Inc. (JAMA).

Whenever possible, special attention has been given to exploring the personalities of the individuals targeted in this study and analyzing their respective positions in the Japanese automobile corporate decision-making process.

### Hidero Aoki

Executive Director of Nissan Motor Company, Ltd., since 1991.

**Residence:** 97 Miharudai, Minamiku Yokohama-shi, Japan  
**Telephone:** (045) 242-6581

Hidero Aoki was born on November 30, 1930. Married, with two children, his hobbies include golf and mahjongg. Aoki graduated from Waseda University School of Law in 1953.

Aoki joined the Nissan Motor Company in 1953. He was appointed General Manager, Fleet Sales and Sales Promotion Department in 1980. The following year he was appointed General Manager, Sales Operations Department No. 1. In 1983 he was appointed Director, Sales Operations Department No. 1. Aoki was appointed Managing Director of Nissan in 1987; in 1989, he was named Executive Managing Director, Nissan. In 1991 Aoki was named Executive Managing Director, Domestic Marketing and Sales; Operations Group; Parts Group; Customer Relations Department, Nissan Motor Company.

### Fumihiko Arakawa

Member of the Board of Directors; Managing Director and General Manager, Corporate Planning Division, Mazda Motor Corporation, Hiroshima, Japan, since 1991.

**Residence:** 11-19 Midorigaoka, Fuchu cho, Aki-gun  
Hiroshima-ken, Japan  
**Telephone:** (082) 281-1590

Fumihiko Arakawa was born on September 28, 1934. He graduated from Hiroshima University, School of Engineering, Department of Mechanical Engineering, in 1957. Married, with two daughters, his hobbies include golf, go, and tennis.

Arakawa joined Mazda Motor Corporation, then called Toyo Kogyo, in 1957. He became Project Manager, Product Development Office in 1980; the following year he was appointed Deputy Manager of that same office. In July 1982, Arakawa was appointed Manager, Testing and Research Division II. In 1984 he became Manager, Office of International Business Development. In 1986, he was appointed Manager, Development Administration Division; the following year he became Deputy General Manager, Corporate Planning and Control Division. Arakawa was appointed General Manager, Corporate Planning and Control Division in 1988. In 1991 he was appointed Managing Director and concurrently General Manager, Corporate Planning Division (formerly Corporate Planning and Control Division) of the Mazda Motor Corporation.

Since joining the Mazda Motor Corporation, Arakawa has devoted much of his career to research and development. From 1960 to 1971, he was engaged in research and testing of vehicle noise, vibration, and harshness. During this time, he became manager of the newly established Department of Vehicle Testing. From 1971 to 1984, he served as manager for Testing and Research, first of interior and exterior components, then of chassis and body parts, respectively. From 1980 to 1982, he was involved as product program manager in the early stages of development of the Mazda RX-7. Between 1980 and 1984, Arakawa served as the technical chief coordinator for Mazda's motor sports activities. Arakawa has also worked in domestic marketing and international business development.

### Nobuhiko Kawamoto

President, Honda Motor Company Ltd., since 1990.

Nobuhiko Kawamoto was born on March 3, 1936. He graduated from Tohoku University Graduate School with a degree in Precision Engineering. During his student days, Kawamoto founded an automobile lover's club.

Kawamoto joined Honda Motors Research and Development Institute, Motorcycle and Automobile Racing Project in 1963. At Honda, he became devoted to the development of racing engines. In 1966, Honda won its first Formula One Grand Prix championship in large part because of Kawamoto's technical expertise. Following the 1968 season, Honda announced that it would discontinue race-car driving, however, and Kawamoto was reassigned to help develop Honda's next generation of passenger vehicles. In 1970 he was appointed Chief Engineer of Honda's Research and Development Company.

The most notable result of Honda's new corporate direction was the development of the revolutionary Civic automobile and the CVCC (Compound Vortec Controlled Combustion engine), which was the first engine to comply with the stringent standards of the U.S. Clean Air Act of 1975. The engine burned so cleanly that it did not require a catalytic converter.

Continuing his rise in the company, in 1981 Kawamoto was elected Executive Vice President of Honda Research and Development Company, and in 1983 was appointed Managing Director. He became President, Honda Research and Development Company in 1986, and three years later, in 1989, was named Senior Managing Director of Honda Motor Company. Kawamoto's 1990 appointment as President of Honda made him only the fourth chief executive since the founding of the company in 1948.

In the past few years Honda has been criticized as "lacking in vitality," in large part because its most successful products have become scarce. However, since the rise of Kawamoto the company appears to have regained its vitality. The Honda Civic received the "Japanese Car of the Year" award in 1991, and the luxury sports car, the NSX, was well received, as was the light four-wheeled open car, the Beat.

Kawamoto is a "hands-on" executive, very much part of the "technician presidency" system that has characterized his company. In 1991, he orchestrated a large-scale reorganization of Honda, including extensive restructuring and personnel changes. Kawamoto put himself in charge of the four-wheel headquarters of the company in order to take charge of sagging domestic sales in four-wheel vehicles. Observers are beginning to speak of the "Kawamoto age" although he has only recently completed his first two-year term as president. Kawamoto speaks of reform in the auto industry as being spearheaded by three philosophically charged mottoes: "shinpuru" [simplicity], "shuchu" [concentration], and "supiido" [speed]. In short, he is trying to cure Honda of the "big company syndrome," which had altered the company as it grew.

Reflecting on the key points to successful car development in the future, Kawamoto put a premium on technology that stresses environmental and safety concerns. He emphasized his desire to ensure that "the road to survival opens up." In an interview with the Japanese press, he proudly noted that the new Regent carries airbags as a standard feature even on the passenger side of the auto--a unique safety touch in the automobile industry.

In assessing the future of his company and its policy of globalization under duress by the worldwide recession, Kawamoto has said: "Because the future will be an age of vigorous change, the greatest task will be how one will handle those changes. Rather than further expanding that framework of globalization laid down by Mr. Kume [his predecessor], we must instead finish the company into one with a profound substance. After the strong yen, the world has turned into an environment in which growth is not necessarily right. Therefore it is necessary to become a company with a constitution that can take out a new lease on life even in the 'age of winter'."

#### Hideaki Kumano

Director-General, Machinery and Information Industries Bureau (MIIB), since 1980.

**Residence:** 8-112 Yonbancho, Chiyoda-ku, Tokyo 102, Japan  
**Telephone:** (03) 262-5548



Hideaki Kumano was born on September 3, 1937. He graduated from Tokyo University with a degree in economics in 1960.

Kumano joined the Minister's Secretariat, Ministry of International Trade and Industry (MITI) Research Section in 1960. In 1966 he was appointed Assistant Head, Ceramics Section, Bureau of Chemistry and Industry, MITI. In 1968 Kumano became a member of the Minister's Secretariat, MITI. He was First Secretary, Embassy of Japan, in France in 1972. In 1973 he joined the Research Section, Minister's Secretariat, MITI, and also was Assistant Head, General Affairs, International Trade Policy Bureau, MITI. In 1974 Kumano became the Head, Machinery and Information Industries Bureau; the following year he was appointed Head, General Affairs, Japan Petroleum Development Corporation. In 1977 Kumano joined the Agency of Industrial Science and Technology, and in 1978 he was attached to the Agency of Natural Resources and Energy. Kumano became the Director-General, Machinery and Information Industries Bureau (MIIB) in 1980.

Hideaki Kumano is known to appear stern but has also been described as "open-hearted" and "popular." He is a strong candidate to become sometime in the future, "the next," or "the next to next" Administrative Vice Minister. He has a good deal of influence in the political world, having served as secretary to former Prime Minister Yasuhiro Nakasone (1982-87). His superior administrative skills have been noted by the Japanese press.

#### Yutaka Kume

President (outgoing) Nissan Motor Company, Ltd. 1985-92; Chairman designate, Nissan Motor Company, Ltd., 1992; Chairman, Japanese Automobile Manufacturers Association (JAMA); Vice Chairman of Japan Federation of Employers Association (Nikkeiren); Vice Chairman of the Federation of Economic Organizations (Keidanren).

**Residence:** 5-20 Gurin Haitzu, 571 Unomori Sagamihara,  
Kanagawa-ken, Japan.

**Telephone:** 0427-46-2590.

Yutaka Kume was born on May 20, 1921. The youngest son of eight children, Kume grew up in Setagaya Boroichi-dori (a street in Setagaya-ku), a neighborhood of small shopowners. Kume's parents owned a small bicycle shop.

The only child in his family to receive a higher education, Kume graduated from Tokyo University with a degree in engineering and a concentration in plane motors. He served briefly as an engineering officer in the Japanese Navy. He was a recipient of the Medal of Honor with Blue Ribbon.

An ardent amateur photographer, Kume is also interested in haiku, philosophy, and Chinese literature. His office wall is decorated with the saying of a Japanese monk, "The rise and fall of a county or company are due to one's own state of mind." Kume is an adherent of the Nichiren Shoshu branch of Buddhism.

Yutaka Kume rose from the ranks of the production side of Nissan Motor Company, Ltd. He joined Nissan in 1946, and by 1971 had become Director of the Yoshihara Plant; two years later he became executive director of the Tochigi Plant. In 1983 Kume was named vice president of Nissan Motor Company, Ltd.; and in 1985, he became president of Nissan.

Kume spent much of his Nissan presidency overhauling the model lineup and reorganizing the corporate system. In early 1980s, Nissan had a reputation as a company in trouble. Slow sales and labor-management problems contributed to that reputation. In 1985, Kume directed a campaign to reorganize the company and to totally redefine its corporate philosophy. The new corporate philosophy--which included the globalization of the company's operations--was printed on cards and distributed to all employees. In 1989, Nissan announced a program to expand production at overseas manufacturing plants and to reduce exports of finished vehicles from Japan.

Kume's years as Nissan's president had a direct impact on company management. An advocate of stating one's position in as frank a way as possible--not only for himself but also for employees--he revolutionized Nissan's corporate structure when he took over as president in 1985 and broke down the divisions between management and staff. In his own words, he tried to "encourage ideas from below, and to dampen talk from above." Kume has said that he "refrains from insisting on my own opinion" and is known to be almost silent until he feels he has "a personal experience to contribute." Kume has been particularly successful in breaking down the rigidity between the different levels in his company. On a regular basis--once or twice a week--Kume keeps in touch with younger employees by visiting their recreation clubs.

Yutaka Kume is perhaps the most assertive and vocal of the leaders in Japan's automobile industry. An energetic spokesman for the Japanese automobile industry, he has been especially aggressive in defending Japan's trade position and has openly challenged United States assertions of Japanese protectionism and exclusionary practices in the automobile trade.

During President Bush's January 1992 trip to Japan, Kume vigorously rejected the United States charge that the Japanese market was closed. Instead, he called on Americans to make a greater effort to penetrate the Japanese market and minced no words while publicly assigning blame for United States ineffectiveness. He noted that the United States failure was not

attributable to Japan's trade practices as had been asserted by the deans of the United States automobile industry, but was caused by the poor management and marketing practices of United States manufacturers.

Unrepresentative of the almost stereotypical Japanese "company man," who is self-effacing, proper at all times, and loyal and obedient, Kume, on the other hand, has been dubbed the "Lee Iacocca of Japan" by the United States press. One unidentified Japanese automotive industry official said of Kume, "His character is in such contrast to other auto executives, who hesitate to say what they think, that he is irreplaceable." Another example of Kume's atypicality is that he takes his wife, Aya, with him on all his foreign business trips--a practice almost unheard of in Japan. Such practices have strengthened Kume's reputation for being his own man as well as for being an innovator and a trailblazer of industry. A February 1992 Automotive News article predicted that Kume's "visibility, and uncharacteristic style for a Japanese business leader, is winning hearts of some Japanese industrialists--many Japanese are calling for Kume's leadership on a broad front."

Nissan announced on March 27, 1992, that Yoshifumi Tsuji, an executive vice president and former production engineer of the company, would succeed Yutaka Kume as president. In late 1992, Kume will take over the largely ceremonial role of chairman, replacing Takashi Ishihara, who will retire. Kume retains his position as chairman of the Japanese Automobile Manufacturers Association. Tsuji, the president designate, is described as "smooth" and a good listener.

As Chairman of Nissan, Kume has said that he will become a "full-time peacemaker" and that his main mission will be to help explain Japan's position in order to ease the friction with its trading partners: "In order to solve trade friction, we should assert our opinions. Until now, we have not said what we think, and we have been misunderstood." Kume noted that the Chairman of Nissan is mainly concerned with external corporate relations.

As chairman of JAMA, vice chairman of Nikkeiren (the major employers' association), and the vice chairman of Keidanren (the association of Japan's top business executives); Kume's visibility and effect on the Japanese corporate philosophy toward competition in the international arena is expected to increase dramatically. Kume's comments on Nissan's foreign ventures offer a glimpse of his philosophical leanings and reflect an interest in the social aspects of doing business abroad. Kume has stated:

The United States market "sustained our auto industry all through these years--our establishment in foreign soil ought to function as an integral part of that

society, making contributions to the well-being of the people who live there."

- The competition for economic gain in a world stage "is like a Sumo match in a ring. It should be conducted squarely. However, in doing so, we must keep in mind that we need each other to survive."
- "The United States automobile industry failure is a management failure. The United States car industry was developed for a huge domestic market; today the industry has little expertise in the export field--its greatest weakness. The United States automotive industries were monopolistic until Japanese car companies made real inroads into the market. Many of the problems the United States auto industry faces have been compounded over the years."
- "In order to implement the Tokyo Declaration, which was announced at the conclusion of the Japan-United States summit talks in January 1992, the foundation which will solidify the cooperative relationship between the two countries must be captured in the fundamental spirit of "cooperation and symbiosis. This spirit will be the defining factor as the 21st century approaches."

Kume has indicated that the Nissan ideal of "globalization," which he adopted from his predecessor, Takashi Ishihara, and later promoted, builds on his childhood experiences in Boroichi-dori, where people "got along well together and even though their trades were different--lived with the spirit of helping each other."

#### Tsutomu Makino

Director, Economic Cooperation Department, International Trade Policy Bureau, Ministry of International Trade and Industry (MITI), since 1988.

**Residence:** 4-15-1-303 Kamiyoga, Setagaya-ku, Tokyo, Japan  
**Telephone:** (03) 427-3309

Tsutomu Makino was born on May 10, 1938. He graduated from Tokyo University School of Law in 1963.

After graduation from law school, Makino held various positions in MITI's Agency of Industrial Science and Technology, Industrial Policy Bureau; Machinery and Information Industries Bureau; and Minister's Secretariat until 1987. In 1988 he was appointed Director, Economic Cooperation Department, International Trade Policy Bureau, MITI.

### Haruo "Hiroshi" Ohno

Managing Director, Nissan Motor Company, Ltd., since 1991; President of Nissan North America, Inc., and concurrently Chairman of Nissan Motor Manufacturing Corporation U.S.A., since 1991.

**Residence:** 4-9 Denencho Fuhoncho, Ota-ku, Tokyo 145, Japan  
**Telephone:** (03) 721-2115

Haruo Ohno was born on February 5, 1935. He graduated from the Waseda University Department of Law in 1958. An avid golfer, Ohno has homes in Los Angeles and Tokyo and spends about half his time in each city. He and his wife Masako have three children.

Ohno joined the Nissan Motor Company, Ltd. in 1958. In 1982 he was appointed General Manager, Production Coordination Department, Overseas Division. In 1985 he became General Manager, Production Control Department. The following year, he was appointed General Manager, Product and Market Strategy Office. He became a Director and Member of the Board, concurrently serving as General Manager of the Zama Plant in 1991. Ohno was also appointed Managing Director, Product and Marketing Division and Managing Director, concurrently serving as President of Nissan North America and Chairman of Nissan Motor Manufacturing Corporation, U.S.A. on July 10, 1991. Nissan North America is the Los Angeles-based umbrella of the Nissan companies in the United States and Canada. In 1991 Ohno was one of four vice presidents reporting to Yutaka Kume, Nissan's former president and chief executive. He was assigned responsibility for improving "coordination and integration of Nissan's sales, manufacturing, design and research subsidiaries."

### Hiroshi Okuda

Executive Director, Toyota Motor Corporation, since 1988.

**Residence:** 1-12-5 Umezono-cho Okazaki-shi, Aichi-ken, Japan

Hiroshi Okuda was born on December 29, 1932. He graduated from Hitotsubashi University in 1955. His hobbies include fishing, reading, and viewing movies. He practices Tendai Buddhism.

Okuda jointed the Toyota Motor Sales Company in 1955. He was Vice Director of Toyota in Manila, the Philippines, from 1973-77. In 1982, he was appointed Managing Director, Toyota Motor Corporation and Head of the Australia and Asia Department. Okuda was appointed Executive Director, Toyota Motor Corporation in 1988.

### Yoshihiro Sakamoto

Director General, Machinery and Information Industries Bureau  
(MIIB)

**Residence:** 4-47-4 Kamiikedai, Ota-ku, Tokyo 145

Sakamoto was born on October 4, 1938. He graduated from Tokyo University in 1962 with a degree in law. That same year Sakamoto joined the Ministry of International Trade and Industry. In 1976, he was appointed Special Representative of MITI Sydney (Japan External Trade Organization in Sydney). In 1980, Sakamoto was appointed Director, Aircraft and Ordnance Division of the Machinery and Information Industries Bureau. In 1982, he served as Counsellor (Diet), in the Minister's Secretariat. In 1984, Sakamoto was named as Director, Industrial Finance Division, of the Industrial Policy Bureau. The following year in 1985, he was appointed Director, General Affairs Division, Machinery and Information Industries Bureau; in 1986, he was appointed Director, General coordination Division, Minister's Secretariat; in 1987, he was appointed Director-General, International Economic Affairs Department, International Trade Policy Bureau; in 1988, he was appointed Director-General, Petroleum Department, Agency of Natural Resources and Energy; in 1989, Sakamoto was appointed Deputy-Director, Machinery and Information Industries Bureau; in 1990, he became Director-General for Commercial Affairs. The following year, he assumed his present position of Director-General (MIIB). He is interested in reading and sports.

### Kazuhira Seki

President and Representative Director, Isuzu Motors Limited,  
since January 1992.

**Residence:** Meguro-ku, Tokyo, Japan  
**Telephone:** (03) 725-3674

Kazuhira Seki was born on February 8, 1937. He graduated from Waseda University, School of Law in 1960. Seki is said to have never lost a mahjong match.

Seki joined Isuzu Motors Limited in 1960. From 1984-87, Seki was the Director (Executive in Charge of Corporate Planning), Secretary's Office and GM Affairs Office. From 1986-87, he was Executive in Charge, FS Planning, and concurrently Executive Director. From 1987-88 he was Executive Director (Executive in Charge of FS Planning, First CPD, Secretary's Office, GMAO and Financial Operations). In 1989-90 Seki was Senior Executive in Charge of CPD, Secretary's Office, GMAO and Financial Operation and Managing Director and Representative (Senior Executive in

charge of Purchasing Operations, Engineering, Production Control, Production Operations). He became Chairman, Isuzu Motors America, Inc., and on January 3, 1991, was promoted to Executive Vice President and Representative Director. On January 10, 1992, Seki became President and Representative Director of Isuzu Motors. Tobiyama, who promoted him to the vice presidency, saw him as a man of much of much promise.

In 1992, Isuzu was struggling to recoup its losses over the last few years. Although sales were bottoming out--assisted by the release of new model recreation vehicles--Isuzu was suffering from red ink on its balance sheet, especially because of the failure of SIA (Subaru Isuzu Automotive), a joint venture with Fuji Jyu Kogyo in the United States. General Motors, a major stockholder of Isuzu, also was in financial trouble. General Motors has conducted business with Seki many times in the past and has expressed its confidence in him. In order to recover from Isuzu's financial deficit, some members of the management had suggested that Isuzu cease producing cars and concentrate solely on producing trucks. Seki's predecessor, Tobiyama, and other managers, however, believed that the production and sales of cars still were the foundation on which to expand the company.

#### Toshimasa Shishido

Managing Director, Honda Motor Company, Ltd., since 1984.

**Residence:** 1-32-6 Sakuradai, Nerima-ku, Tokyo, Japan  
**Telephone:** (03) 991-8418

Toshimasa Shishido was born on November 13, 1938. He graduated from Keio University, School of Engineering, in 1962.

Shishido joined the Honda Motor Planning Group in 1962. He became Managing Director, Honda Motor Company in 1984.

Toshimasa Shishido has long been involved with the manufacturing and production side of the Honda Motor Company and with "Honda-ism," a unique manufacturing and production process that stresses an unorthodox style only possible with an enterprise of a relatively small corporate scale. Shishido and other Honda executives were instrumental in guiding the company in its strategy to attain internationalization in its growth as it grew to adopt its "world car concept." A "world car," according to Honda, is one that has "commonalties . . . sought by people all through the world." The Honda Accord is a good example of this concept.

Shishido and his corporate lieutenants boast that Honda's sales network is the strongest among the Japanese automakers. They also claim that Honda has the highest participation in

business activities in the United States of all the Japanese automakers. Indeed, in 1987 over half of the total unit sales in the Honda division were North America-produced cars. This strategy rests on the principle of localization of the global Honda factory system and strict adherence to its almost totally Japanese production system under the auspices of Honda's ideas and philosophy.

According to an article in Zaikai Tembo, probably more books have been written about Honda and its dynamic founder, Shoichiro Honda, than about Toyota and Nissan and their respective founders combined. The "Continuation of Youthfulness and Dominance of Technician," aspect of Honda's management philosophy, with its emphasis on technological expertise and guidance from the company's top leadership is a legacy that has favored engineer-managers like Toshimasa Shishido. This philosophy incorporates the concept wa, a concept that provides insight into the Japanese management style exemplified by Honda Motor Company. Wa refers to the balance of individual needs and desires in favor of the good of the group. In essence wa is harmony. In its application at Honda, wa demands that the lowest worker be continually trained so that his skills will uplift to "expert status."

**Yuji Tanahashi**

Director, Industrial Fund, Industrial Policy Bureau,  
(Sangyo-Seisaku Kyokucho), Ministry of International Trade and Industry (MITI), since 1980.

**Residence:** 1-2-15 Kakinokizaka, Meguro-ku, Tokyo, Japan.

**Telephone:** (03) 717-0601

Yuji Tanahashi was born in June 1934. He graduated from Tokyo University School of Law in 1958. Tanahashi joined MITI's Bureau of Mines in 1976. He became a member of the Industrial Location and Environmental Protection Bureau in 1977, soon after joining the Minister's Secretariat. He was appointed Director, Industrial Fund, Industrial Policy Bureau, MITI in 1980.

Tanahashi's hobbies include golf, swimming, fishing, and reading. His father-in-law, Yukiyasu Matsuno, was a well-known Diet representative from Gifu.

Currently the administrative vice minister of the Ministry of International Trade and Industry, Tanahashi has climbed rapidly up the bureaucratic ladder. He has long been considered by his peers to be exceptionally talented--so much so that he was called the "future administrative vice minister" beginning with his early days at the ministry. Tanahashi also has served as Chief Secretary; Machinery and Information Industries Bureau



Chief; Chief, Industrial Policy Bureau; and General Affairs Manager of the Minister's Secretariat.

Well known in the world of Japanese politics, Tanahashi honed his political skills while serving as secretary to the prime minister under the Takeo Fukuda cabinet (1976-78). While acting as General Affairs Manager of the Minister's Secretariat, he actively served both Yamanaka and Sosuke Uno, former MITI ministers.

Tanahashi gives the impression that he is easygoing. Considered a strong speaker, he is known for his "good judgment, non-confrontational style, and vision," according to Japanese press accounts. Tanahashi's leadership abilities are excellent. He has successfully orchestrated the diverse functions of the different departments of MITI and has special expertise in the administration of the machinery and information industries, and in industrial policies. According to the article "Profile of MITI Personnel" by the Kankai editorial staff, Tanahashi's administrative savvy is valued highly in both government and private industry. Tanahashi keeps in close touch with the private sector, and much of his business philosophy is formed in a constant dialogue with corporate leaders.

Concerned about Japan's slowing domestic economy and the growing trade surplus, Tanahashi listened to the opinions of important persons in various private sector enterprises and accepted their recommendation that the official interest rate be lowered in order to redeem Japan's public pledge of "steady growth without inflation led by the domestic market."

Troubled by the expansion of Japan's huge trade surplus, Tanahashi has acknowledged that Japan will be facing more foreign pressure to increase its imports. In the 1992 MITI policy papers, Tanahashi set forth a plan to remedy some of Japan's concerns regarding the slowdown of the domestic economy as well as the uneasiness of its trade partners concerning the trade imbalance these countries have with Japan. The new MITI administration also is enthusiastic about reviving the economy by implementing an aggressive financial reform policy. Tanahashi has expressed his concern that Japan place more emphasis on measures to improve the global environment.

In a December 1991 interview with Tokyo Zaikai about the viewpoint of "cooperation and harmony with international society," Tanahashi said that Japan's longstanding strategy of selling products at low prices is no longer viewed favorably worldwide. He stated that "if Japan continues to run ahead like this in the international marathon, they [other nations] will not hesitate to say, please run by yourself since you are so strong. We will compete without Japan." He added that rather than "mark time to wait for everyone else in the international community to

catch up, it is better to strengthen everyone's leg so that everyone can run together."

In an interview with foreign reporters in 1991, Tanahashi offered a considered appraisal of Japan's relationship with the United States, especially as regards the economy. He said, "Americans are a people with a lot of pride and there are many strong leaders. I am not saying to help the United States, but since the United States is now troubled, we should work with them." On the production problems extant in the United States, Tanahashi noted: "There are still half of the 50 U.S. [sic] states which make no exports at all to Japan. Consequently, we are expanding moves to permanently station officials in charge from MITI and JETRO (Japan External Trade Organization) in each U.S. state and they will investigate carefully what can be purchased."

### Taro Tanaka

President of Nippondeso Co., Ltd.

**Residence:** b-1 Lumiere Nanzan, 25-1 Nanzancho, Show-ku,  
Nogoya, Aichii 466  
**Telephone:** 052-831-8476

Taro Tanaka was born January 6, 1923. He graduated from Tokyo University in 1947. He became executive director of Nippondeso in 1978. He earned the prestigious Medal of Honor with Blue Ribbon award in 1989.

### Toyoo Tate

President, Mitsubishi Motors Corporation since 1983.

**Residence:** 2-30-3 Inogahira, Mitaka-shi, Tokyo, Japan  
**Telephone:** 0422 43-2419

Toyoo Tate was born on January 3, 1920. His hobbies are golf and gardening. He was awarded Japan's Blue Ribbon Medal in November 1987; the Grand Decoration in Silver for Service to the Republic of Austria in 1989; and Malaysia's Panglima Setia Mahkota in 1991.

Tate graduated from Tokyo University's School of Economics in 1942. That same year he joined Mitsubishi Heavy Industries, Ltd. He transferred to Mitsubishi Motors Corporation as Deputy General Manager, Ocean Vessels Department in 1964. Tate was appointed Director, General Affairs Department, Mitsubishi Motors Corporation in 1971. In 1974 he was appointed Head, Division of Planning, Department of Accounting and Planning. Tate was

appointed Director and General Manager, Business Planning and Accounting Department in 1977. By 1979, he was Managing Director, Mitsubishi Motors Corporation. In 1983, he had become President and Executive Director, Mitsubishi Heavy Industries Ltd. Tate was appointed Chairman of the Board, Mitsubishi Motors Corporation in 1989.

Toyoo Tate believes that the success of Mitsubishi Motors Corporation depends on its ability to build a creative and independent management strategy based on its listing on the Tokyo Securities and Stock Exchange. His efforts to develop this strategy focus on developing dealer networks--particularly in the growing residential areas of Tokyo and Sapporo. He also seeks to enhance his company's development of a new mid-sized car and to strengthen the 2,000cc-plus sector--currently the fastest growing sector in the Japanese domestic market. Tate's strategy includes a willingness to use lower cost imported components as well as to sell imported cars from Hyundai and Mercedes Benz. He has lamented to the press that Mitsubishi's strategy of offering a full range of vehicles rather than targeting market segments has hurt profitability.

**Takao Tominaga**

Vice Chairman, Japanese Automobile Manufacturers Association (JAMA), since May 1990.

**Residence:** 4-48-6 Osaka, Bunkyo-ku, Tokyo, Japan  
**Telephone:** (03) 944-7740

Takao Tominaga was born on November 4, 1930. He graduated from Tokyo University, School of Economics in 1955. Tominaga joined the Ministry of International Trade and Industry (MITI) in 1955. In 1962, he worked at the Milan office of the Japan Export Trade Research Organization (JETRO). In 1972 he was appointed Director, Export of Chemical Products, MITI. He became Director, Automobile Division, Machinery and Information Industries Bureau, MITI, in 1974. Tominaga became Counselor, Regional Development Bureau, National Land Agency in 1976. In 1979 he was appointed Director, General Coordination Department, Agency of Industrial Science and Technology, MITI. He was appointed Director of JETRO's New York Trade Center Office in 1980 and Chief, Tokyo Regional Bureau of International Trade and Industry, MITI in 1980. In 1983, Tominaga became an adviser to the Sanyo Electric Co. He has been a trustee of JAMA since 1988.

As Vice Chairman of JAMA, Tominaga has taken a position against what he considers excessive government interference in business. In response to the Livelihood Environment Council's assertion at the Health and Welfare Ministry's hearing that manufacturers are legally responsible for large waste products and industrial waste, Tominaga countered that it is unfair to

expect the automobile industry to be responsible for automobile disposal.

### Eiji Toyoda

Outgoing Chairman of Toyota Motor Corporation (1992)  
Chairman, Towa Fudosan K.K. (Real estate company)

**Residence:** Toyota-shi, Aichien  
**Telephone:** 0565-52-7535

Eiji Toyoda was born on September 12, 1913. He graduated from Tokyo University with a degree in Mechanical Engineering in 1936. In April 1936, Eiji Toyoda joined the Toyota Automatic Loom Works (Toyota Jido-Shokki Seisakugo). In 1937 he joined Toyota Motors and in 1945 became Managing Director. In 1950, he was named executive director. Named vice president of Toyota Motors in 1960, he became president in 1967. In 1982, he was named chairman of Toyota Motors.

Eiji Toyoda is a member of a number of other business organizations, including the Aishin Precision Machinery Company, Aishin Ei Daburyu; Toyota Sales, USA; Toyota Motors, Thailand; Highway Service, Japan; Nihon Risu; Chiyoda Maritime Fire Insurance; Keizai Dantai Rengokai; Institute of Invention and Innovation; the Council of Civil Aviation, Ministry of Transport; Council of Telecommunications, Ministry of Posts and Telecommunications, Electric Waves Development Center; Japan Techno Mart; Committee on Telegraph and Telephone Technics; Honorary Consul, Portuguese Consulate in Nagoya; and the Agia Research Institute for Economics.

Toyoda, who has long been at the pinnacle of power in the automotive industry in Japan, has been the recipient of numerous awards. The most illustrious of these include the Medal of Honor with the Blue Ribbon, which he received in 1971, and the First Medal of Honor, which he received in 1983. He also served as the president of the Japan Automobile Manufacturers Association (JAMA) from 1972-82. Toyoda enjoys swimming and reading. He is also an author, and has written of his many experiences with Toyota Motors in his book Toyota, Fifty Years in Motion: An Autobiography, published in 1987.

Eiji Toyoda has had an immediate impact not only on the course of Toyota Motors and on other automotive companies but on numerous Japanese industries as well. It was he, who, along with his production expert, Taiichi Ohno, pioneered the concept of "lean production." The success of the "lean production" system rested on a new dynamic way of coordinating the flow of parts within the supply system--the "just-in-time" or "kanban" system. Toyota's production system has long been considered by most

industry analysts as the most successful in the automobile industry in terms of productivity, economy, and product quality. Much of the success of Eijis' Toyoda's system has rested on the smooth supply of parts at each stage of production. Inventories were kept at a minimum, hence the name "lean production." In theory this system was easily workable. In reality its successful execution was exceedingly difficult and took years to perfect. Much of the innovation Eiji Toyoda introduced to the Japanese production system was learned from his 1950 engineering apprenticeship at Henry Ford's Rouge plant in Detroit, where he spent three months observing American production techniques. He noted in his autobiography that the Toyoda family nexus with Ford went back to 1929 when his Uncle Kiichiro visited the American company.

Eiji Toyoda believes that the state of American automotive production is weak because of poor management. He has stated that management must look for latent talent in an employee in relation to the future of the company. Lack of such a long-term management involvement, in his view, is one of the causes of American corporate failure. Toyoda also believes that American industry is capitulating to adversity. He has stated that American industrialists survive by selling their plants when they lose profits; they take flight from problems rather than tackle them with more research and insight. Furthermore, he believes that constant changes in management weaken company morale and foster poor labor relations. He notes that the United States did not suffer from this problem in the past.

### Shoichiro Toyoda

Chairman designate, Toyota Motor Corporation, 1992; President, Toyota Motor Corporation, 1982-92

Shoichiro Toyoda was born on March 13, 1924. He graduated from Nagoya University with a degree in engineering in 1947. His college years were interrupted during World War II when students were ordered to help farmers, who were struggling to produce enough food for the country. Toyoda dug potatoes and sowed barley as his wartime contribution.

Because of the dismal economic conditions of the automotive industry at the time of his graduation from Nagoya University, Shoichiro Toyoda was sent to Hokkaido by his father to learn to make fish cakes. During that time he designed a machine that made fish cakes. A few years later, he returned to Nagoya and engaged in architectural work. In one of his last entrepreneurial assignments before his father died in 1952, he was set to move to the United States to import the technology necessary to manufacture diecast aluminum sewing machines. When his father died, his move to the United States was canceled. Shoichiro says

that the cancellation was one of his big regrets in life. He also admits to two other big disappointments: not learning how to ski or to dance.

In an 1987 interview with Fortune, Toyoda said that when he was young he had wanted to do something "with much more freedom" than taking over the company his father, Kiichiro Toyoda, had founded. He states that he probably would have entered a different industry had his father not died when he did. Nonetheless, family duty prevailed, and Shoichiro Toyoda joined Toyota. If the decision of a career had been left up to him, Shoichiro said he would have become an entrepreneur or a scientist instead. A sense of duty to one's family--and, in a larger sense, to one's company--is a common theme in Shoichiro's interviews.

Shoichiro joined the Toyota Motor Corporation in 1952. He interrupted his career at the company to earn a doctorate in engineering, which he received from Tokyo University in 1955. His doctoral thesis was on fuel injection. He was appointed Managing Director of Toyota Motor Corporation in 1961 and Senior Managing Director in 1967. He became Executive Vice President in 1972 and President of the Toyota Motor Sales Company in 1981. In 1982 he was appointed President of Toyota Motor Corporation (which had absorbed the Toyota Sales Company that same year).

Shoichiro Toyoda likens the Toyota Motor Corporation to a family. He insists that the firm and all its contributors should be considered as such. It is his belief that much of Japan's success--and conversely the United States recent shortcomings in the automobile industry--has to do with the former's success and the latter's failure in promoting group spirit. Toyoda has further developed the image of the corporation as socially conscious family by stressing the philanthropic activities of the organization. In 1989 and 1990, for example, 1.5 percent of profits were channeled into corporate philanthropy programs.

Shoichiro Toyoda is ambitious and has openly, if not boldly, stated that he wants the Toyota Motor Corporation to be the number one automobile producer by the end of the century. In 1990, Toyoda revealed Toyota Motor Corporation's domestic and overseas plans--an encompassing and ambitious program calling for the production and sales of more than 6 million units by 1995. In order to achieve this goal, Shoichiro believes that Toyota's foreign and domestic marketing systems need to be streamlined. In a 1991 interview with the Nikkei Business editor, Shoichiro Toyoda announced that Toyota will lead the automobile industry in reform. He has conceptually framed what he considers to be Japan's innate advantage in competition over its United States, European, and Southeast Asian rivals: unlike his competitors, where the rich versus the poor has become an issue, most people in Japan belong to the middle class.

Expansionism is Toyoda's dominant corporate philosophy. He has stated that "the world car market is not mature. There is room for expansion." Furthermore, he insists that "the trade imbalance with the United States will be offset by expanding imports, not reducing exports." This attitude has put him at odds with some MITI officials, who, following President Bush's four-day trip to Japan in January 1992, negotiated with Japan's "Big Five" automakers--Toyota Motor Corporation, Nissan Motor Company, Honda Motor Company, and Mazda Motor Corporation--to expand purchases from the United States. Ministry officials claimed that of all of Japan's automakers, Toyota showed the most resistance to expanding purchases from the United States. Government and industry automobile experts in Japan agreed that the cooperation of Toyota Motor Corporation would have a profound symbolic effect on other firms. The belief was widely held that Toyota's top executives had little interest in slowing their company's juggernaut.

Although resistant to lessening his company's predisposition toward excessive competition, Shoichiro Toyoda, in an interview with Toyonari Sekiyama, editor of Nikkei Business, expounded upon what he called Toyota's new ideal of "coexistence and co-prosperity." He discussed the formal corporate philosophy--the "Basic Philosophy" that encapsulated this new ideal, a corporate credo that has replaced Toyota's earlier "Basic Plan." The Basic Philosophy appeals for harmony with society and the environment and for coexistence and co-prosperity. It discusses "international corporate citizenship," which targets gaining the confidence of international society. How this "Basic Philosophy" will reconcile itself with a company known for its marketing greed remains to be seen.

Shoichiro Toyoda has been observed to rely on consensus in decisionmaking. He makes decisions slowly but implements them quickly.

#### Tatsuro Toyoda

President designate, Toyota Motor Corporation; Executive Vice President, Toyota Motor Corporation, since 1988; Vice Chairman, Keizai Doyukai.

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Aichi-ken, Japan  
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Tatsuro Toyoda was born on June 1, 1929. He graduated from Tokyo University, School of Engineering, with a degree in mechanical engineering in 1953. That same year he joined the Toyota Motor Sales Company. He also attended the New York University, School of Business Management from 1955-58,

graduating with a Masters of Business Administration. Toyoda is interested in music. He practices Kenpon Hokkeshu Buddhism.

During his career at Toyota Motor Corporation, Toyoda has held a number of important positions. He was appointed Head, Merchandise Planning Division in 1973, and by 1974 he had become Managing Director, Toyota Motor Sales Company. In 1984, Tatsuro was appointed President, New United Motor Manufacturing Company. In 1988 he was appointed Vice President, Toyota Motor Corporation.

Tatsuro Toyoda will replace his older brother Shoichiro Toyoda as president of Toyota either at the end of September 1992 or at the beginning of October 1992. Tatsuro is the first Toyota president with experience in running an overseas affiliate. Tatsuro supervised preparations for Toyota's joint venture with General Motors, a venture that began producing cars in California in 1984 as the New United Motor Manufacturing, Inc. (NUMMI).

Tatsuro Toyoda has extensive hands-on management experience in virtually every phase of Toyota's management, including marketing, production, and product planning--both for domestic and overseas markets. As an executive with experience in managing an overseas affiliate, he continues to devote special attention to international operations as well as handling a wide range of other activities such as overseeing production and logistics, quality-control, and public affairs. Toyoda was quoted by the New York Times on August 30, 1992, as saying that in order to cope with the downturn in global demand for automobiles during the present recession Toyota Motor Corporation will "accumulate minor efforts to cut costs. Toyota is trying to use auto parts that might be more interchangeable and might consider reducing the number of its new models." Nevertheless, Tatsuro, like his older brother Shoichiro, is resisting some of the more fundamental changes that other smaller Japanese automobile companies are undergoing in order to cope with the lessened global demand for automobiles. These changes include cutting the number of new products, reducing the reliance on price slashing to increase sales, and keeping longer inventories of parts. Tatsuro Toyoda feels that with Toyota's vast resources, the company may yet avoid major structural changes, instead relying on "accumulating minor efforts" to get through the current downturn.

#### Kenichi Yamamoto

Chairman, Mazda Motor Corporation since 1987; Trustee, Japanese Automobile Manufacturers Association (JAMA).

**Residence:** 3-1 Shinchu Fuchu-cho Aki-gun, Hiroshima-ken,  
Japan

**Telephone:** (082) 282-1111



Kenichi Yamamoto was born on September 16, 1922. Yamamoto graduated from Tokyo University with a degree in mechanical engineering in 1944. He is interested in the game of Go.

Yamamoto's father, a retired Mazda employee, was a Hiroshima resident, but survived the dropping of the atomic bomb because he was away on a fishing trip. Yamamoto's mother, however, was severely injured, and his sister Kyoko, then 18, was killed. Until her death in 1984, Yamamoto's mother spent every anniversary of the bombing meditating before a fading photograph of her daughter. Yamamoto is on record as saying that the great lesson of the tragedy is that "war is the worst thing in the world."

During World War II, Yamamoto designed landing gear for navy fighters. He joined Mazda in 1946 as an assembly-line worker. In 1963 Yamamoto was appointed Director, Rotary Engine Research Division; he became a Director of Mazda in 1971-72. In 1978 Yamamoto was appointed Executive Director of Mazda; he became President of Mazda in 1984. Yamamoto was appointed Chairman of Mazda in 1987.

Yamamoto's career was greatly influenced by his mentor, Tsuneji Matsuda, the late chairman of Mazda Corporation. Matsuda developed the revolutionary Wankel rotary engine in 1961. The success of this rotary engine redefined the Hiroshima-based company, changing it from a small regional manufacturer of trucks and light machinery to a world-class automaker capable of mass-producing vehicles with three different engine types--rotary, piston gasoline, and diesel. The decision to divert a large portion of Mazda's resources to the rotary engine was, from the beginning, considered a bold and highly risky venture. Matsuda was supported in his decision by Kenichi Yamamoto--at the time his 41-year-old protege--whom he named as head of the rotary project. Yamamoto later earned the title of the "Stepfather of the Rotary Engine."

Matsuda and Yamamoto felt that the survival of Mazda as an independent company rested with the successful development of the rotary engine. They held this view partly because in the 1950s, the Japanese government had adopted a policy of aid and tax benefits that favored the larger companies of Toyota, Nissan, and Isuzu over smaller competitors such as Honda and Mazda. As a result, smaller companies had to scramble to find new ways to prosper. Matsuda was impressed by reports of the invention of a rotary engine by NSU of Germany and equated his company's future with that technical innovation.

Yamamoto, under some protest, accepted the responsibility for developing a rotary engine that would be uniquely Mazda's. His project attracted almost insurmountable criticism from experts and organizations across the board in the automobile

industry. Yamamoto defended his technological struggle to develop the new engine by paraphrasing the words of William Petty, the 17th century British statistician, saying, "Getting criticisms is an inevitable fate for any innovations, the harsher the criticisms, the bolder the innovation." Yamamoto was directly involved in the rotary project for 13 years prior to his promotion to managing director in 1978. Yamamoto declared in a November 1989 interview with Automotive News that he considered his greatest achievement helping Mazda to establish its identity through the rotary engine. Years later, when his rotary engine had won a 24-hour speed and endurance race in Europe, Yamamoto had the words "Be insatiable in meeting challenges" inscribed on a monument to celebrate his victory.

Yamamoto also considers the rotary engine to be his greatest management failure. After the first energy crisis, the then gas-guzzling rotary engine suffered a quick reversal in reputation. According to Yamamoto, the decline of the rotary engine's popularity took place largely because of Mazda's program to develop the rotary engine for all of the company's automobiles. This strategy, while exalting the future importance of the rotary engine, ignored the basic design considerations necessary for each type of vehicle. Yamamoto said, "If I had been able to persuade management to temper its rotary marketing strategy, the damage might have been less. I always felt the rotary should be used only for sports cars and sporty cars, and not for a broad product range. Management, unfortunately, saw things differently, and I couldn't go against them." Yamamoto acknowledged a criticism that has been leveled at many, if not most other Japanese corporate officers--the sacrificing of personal initiative to consensus.

A mid-1970s report by the United States Environmental Protection Agency found that Mazda's rotary cars achieved only 10 miles per gallon in city driving. The impact of this report was especially devastating as it came shortly after the Arab oil embargo of November 1973. As gasoline prices continued to rise, Mazda's fortunes plunged. Sales declined by 53 percent over the next three years to 87,200 units. By 1975 the company reported a 17.3 billion yen operating loss, and its debt rose to 358 billion yen--an incredible 72 percent of operating expenses.

For a short time, Mazda verged on the brink of bankruptcy. Despite the major setback caused by the failure of the rotary engine, Mazda rebounded and as of 1992 was the only major automaker capable of mass-producing vehicles with three different engine types--rotary, piston, and diesel. Yamamoto recently stated that the rotary engine still creates excitement at Mazda as well as company pride. In 1992 Mazda owned more than 2,000 patents based on its development of the rotary engine.

Yamamoto is an impassioned speaker, especially when talking about his favorite subject--cars. In 1986, he became Automotive Industries "Man of the Year"--the first time a foreigner has been given that honor. The United States press also was impressed with comments he made prior to the 1987 opening of Mazda's plant in Flat Rock, Michigan, on the potential for excellence in the production of cars in the United States: "There is nothing wrong with the quality of American labor, what has been wrong is that management has failed to inspire workers to give their best."

Yamamoto's approach to unionized labor departs from that of the leadership of other Japanese automakers. Honda and Nissan produce 270,000 vehicles annually in the United States with limited participation by union workers. Yamamoto and Mazda have forged a partnership with the United Auto Workers (UAW). Mazda executives were impressed by the Toyota-General Motors' success with UAW labor at a Fremont, California plant and have filled many of their positions through labor unions. Yamamoto, for two years one of Mazda's toughest union "bargaining gladiators," has declared that he wishes to circumvent the traditional adversarial face-off of American labor versus management and instead to seek a non-confrontational "heart-to-heart relationship" similar to that which binds Japanese unions and management.

Yamamoto has been sensitive to trade issues between the United States and Japan. Participating in the intense debate on the United States-Japan trade imbalance following President Bush's January 1992 trip to Japan, Yamamoto called upon the Toyota Motor Corporation, Japan's leading automaker, to agree to voluntary restraints in its exports. He stated that "leading companies in the major leagues should take the first steps, such as reducing exports, boosting overseas production and cutting back on labor hours. Companies like us in the minor leagues cannot lead the way."

Yamamoto participates in a Shinto ceremony every time Mazda launches a new car model. He and his top executives stand reverently while a priest clad in a traditional white robe, sandals, and black lacquered hat passes a "sacred tree" branch over the new automobile's open hood. These "honorable purification" rites are held to invoke divine sales.

A bonafide workaholic, Yamamoto's drive and determination has inspired young engineers from Japan's top engineering schools, primarily from Tokyo University's prestigious School of Engineering. Yamamoto sometimes has described himself as a "governor of a school for young engineers."

### Taizo Yokoyama

Executive Director, Mitsubishi Motor Corporation  
Assistant Chief, Operation and Development Division

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**Telephone:** (03) 781-6645

Taizo Yokoyama was born May 12, 1936. He is a practicing Buddhist and an avid player of golf.

The career of Taizo Yokoyama has straddled the public and the private sectors. He graduated from Tokyo University School of Law in 1959 and later that year joined the Ministry of International Trade and Industry (MITI). In 1972, he was appointed the assistant chief of International Trade Policy Bureau. In 1974, he served as the 1st Secretary of the Embassy of Japan in Washington, D.C. In 1976, he was appointed Counselor at MITI and in the following year became the Counselor of the Economic Planning Agency in the Prime Minister's Office. In 1979, Yokoyama was named Director, Machinery and Industry Bureau, MITI. In 1981, he was named Director, Bureau of Imports of the International Trade Administration. In 1984, Yokoyama again returned to Washington, D.C. to serve as Minister of the Embassy of Japan. In 1986, he served with the Minister's Secretariat at MITI, and in 1988 became the Executive Director of Mitsubishi Motors Corporation.

Yokoyama is aware that Mitsubishi Motors Corporation, unlike its Japanese competitors, has been in the enviable position of gaining market share in 1991-92. It has done so is primarily because of its strength in recreational vehicles--currently the hottest automotive product on the market. Nevertheless, Yokoyama is aware of the Japanese auto industry's dilemma. He has been quoted in the New York Times (August 30, 1991) as saying that Japanese auto makers "don't know how to adjust to such a [shrinking] market. Our experience is that we can survive only through expansion."

### Japan Automobile Manufacturers Association, Inc. (JAMA)

The Japan Automobile Manufacturers Association, Inc. (JAMA) is a non-profit trade association established in 1967. JAMA's membership includes 13 manufacturers of passenger cars, trucks, buses, and motorcycles in Japan.

JAMA was founded when Jidosha Kogyokai merged with Nihon Kogata Jodosha Kogyokai. JAMA is administered under the guidance of various committees that are composed of member company representatives. JAMA's administrative structure includes a

chairman, three vice chairmen, an executive managing director, a director, and a secretary general. The chairman of JAMA is elected from among the chief executives of the member Japanese auto companies. The current chairman of JAMA is Yutaka Kume, former president and now chairman of Nissan Motor Company, Ltd. His immediate predecessor at JAMA was his mentor at Nissan, Takashi Isihara. Final decision-making authority and overall administration, however, is vested in the Board of Directors.

During its first 10 years, JAMA negotiated with the United States on the matter of liberalization of foreign capital into Japan. In its semi-government capacity, JAMA represented Japan in preliminary talks with the United States. It also negotiated with the United States on matters related to exhaust fumes when they became an issue in the late 1960s. The United States and Japan agreed to calculate fumes in grams, thus protecting Japan's small car industry from being disadvantaged.

Most recently, JAMA has been at loggerheads with the Federal Trade Commission (FTC) over United States antitrust laws. In March 1992, JAMA moved to block a subpoena for documents relating to its activities in the United States, claiming that the demand is "unduly burdensome." William Tanaka, counsel for JAMA, said his group petitioned the FTC to limit the subpoena's scope or to "quash" it entirely. The FTC initiated its investigation in June 1990 after some United States automotive parts manufacturers complained that they were being excluded from doing business with Japanese-owned businesses that were operating as cartels in the United States.

JAMA has been described as a "timid coordinating body rather than one capable of mobilizing and leading its members," by Richard F. Doner in his book Driving a Bargain. Doner attributes JAMA's ineffectiveness to interfirm rivalry. This appraisal may be prematurely harsh inasmuch as JAMA's chairman, Yutaka Kume, is one of the most outspoken Japanese businessmen in the automotive industry and is currently using his position at JAMA to urge automakers to raise prices on automobiles exported to the United States to reflect currency rates. Kume is also pushing for the end to voluntary restraints on auto exports to the United States. JAMA's formally stated objectives:

- to promote development in the Japanese automotive industry;
- to conduct research;
- to disseminate information regarding the streamlining of the industry; and

- to create and promote industry-wide programs to enhance trade, overseas investment, and overseas procurement of auto parts.

JAMA's Primary Activities:

- compiling statistical data on the automobile industry;
- conducting surveys;
- issuing quarterly and annual publications;
- sponsoring public services, and
- coordinating industry-wide programs.

ORGANIZATIONAL STRUCTURE OF JAMA	
Committees	Administration
General Assembly Board of Directors	Chairman Vice Chairmen
Executive Committee	Executive Managing Director
Environmental Studies Committee	Director and Secretary General
General Committees:	Administration Department
Distribution Committee	1st Business Affairs Department
Economic Research Committee	2d Business Affairs Department
Factory Environment Committee	International Department
Overseas Trade Committee	Liaison Office for International Parts Procurement
Parts and Materials Committee	
Public Relations Committee	Overseas Trade Department
Research Administration Committee	Parts and Materials Department
Safety and Pollution Control Committee	Planning and Research Department
Taxation Committee	Public Relations Department
Technical Committee	Technical Department
Traffic Safety Measures Committee	Overseas Offices:  Washington, D.C., U.S.A.
Special Vehicle Committees:	Paris, France
Motorcycle Executive Committee Midget Vehicle Committee Heavy Vehicle Committee	Japan Automobile Manufacturers Association of Canada (local corporation) Toronto, Ontario, Canada

## JAMA MEMBER COMPANIES

Daihatsu Motor Company, Ltd.  
Fuji Heavy Industries, Ltd.  
Hino Motors, Ltd.  
Honda Motor Company, Ltd.  
Isuzu Motors Limited  
Kawasaki Heavy Industries, Ltd.  
Mazda Motor Corporation  
Mitsubishi Motors Corporation  
Nissan Diesel Motor Company, Ltd.  
Nissan Motor Company, Ltd.  
Suzuki Motor Company, Ltd.  
Toyota Motor Corporation  
Yamaha Motor Company, Ltd.

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The JAMA Forum. Quarterly.  
The Motor Industry of Japan. Annual.  
Motor Vehicle Statistics of Japan. Annual.  
News from JAMA. Monthly. Published in Washington, Paris, and Toronto.  
On the Road Together: U.S. Parts in Japanese Autos.  
The Relationship Between Japanese Auto and Auto Parts Makers.